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*Attorneys for Debtors
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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**STIPULATION FOR ORDER
ESTABLISHING BRIEFING AND
HEARING SCHEDULE REGARDING
CLASSIFICATION OF FIRE CLAIMS OF
FEDERAL AGENCIES AND OF
CALIFORNIA STATE AGENCIES**

Related Docket No.: 5590

[No Hearing Date Requested]

1 PG&E Corporation and Pacific Gas and Electric Company, as debtor and debtor in
2 possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11**
3 **Cases**”), certain funds and accounts managed or advised by Abrams Capital Management, LP, and
4 certain funds and accounts managed or advised by Knighthead Capital Management, LLC
5 (together, the “**Shareholder Proponents**” and with the Debtors, the “**Plan Proponents**”), the
6 Federal Agencies (as defined below) and the California State Agencies (as defined below) by and
7 through their respective counsel, hereby submit this stipulation (the “**Stipulation**”) for an Order
8 approving the Parties’ (as defined below) agreement to establish a briefing and oral argument
9 schedule for the Federal Agencies’ and California State Agencies’ objections to the Plan’s (as
10 defined below) classification of their asserted Fire Claims as Fire Victim Claims.¹ The Debtors,
11 the Shareholder Proponents, the Federal Agencies, and the California State Agencies are referred
12 to in this Stipulation collectively as the “**Parties**,” and each as a “**Party**.” The Parties hereby
13 stipulate and agree as follows:

14 **RECITALS**

15 A. On January 29, 2019, the Debtors commenced the Chapter 11 Cases in the
16 United States Bankruptcy Court for the Northern District of California (the “**Bankruptcy Court**”).

17 B. The United States of America, on behalf of the Department of Homeland
18 Security, Federal Emergency Management Agency; United States Department of Agriculture,
19 United States Forest Service; United States Department of the Interior, Bureau of Land
20 Management, Bureau of Indian Affairs, Fish and Wildlife Service, and the National Park Service;
21 United States General Services Administration; United States Department of Housing and Urban
22 Development; and United States Small Business Association (collectively, the “**Federal**
23 **Agencies**”) filed multiple proofs of claim asserting Fire Claims in these Chapter 11 Cases
24 (collectively, the “**Federal Fire Claims**”).

25 C. The California Department of Forestry and Fire Protection, California
26 Governor’s Office of Emergency Services, California Department of Veterans Affairs, California
27

28 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

1 Department of Parks and Recreation, California Department of Toxic Substances Control,
2 California Department of Developmental Services, California State University, and California
3 Department of Transportation (collectively, the “**California State Agencies**”) filed multiple proofs
4 of claim asserting Fire Claims (collectively, the “**California State Fire Claims**,” and together with
5 the Federal Fire Claims, the “**Governmental Fire Claims**”).

6 D. On January 31, 2020, the Plan Proponents filed the *Debtors’ and*
7 *Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated January 31, 2020*
8 [Docket No. 5590] (the “**Plan**”).

9 E. Under the Plan, all Fire Victim Claims, including the Fire Claims asserted
10 by the Federal Agencies, the California State Agencies, and individuals, will be permanently
11 channeled to a trust to be established to satisfy such claims (the “**Fire Victim Trust**”). Under the
12 Plan, such claims will be asserted exclusively against the Fire Victim Trust in accordance with its
13 terms, with no recourse to the Debtors, the Reorganized Debtors, or their respective assets or
14 properties.

15 F. In discussion between the Parties regarding plan confirmation scheduling
16 issues, the Federal Agencies and California State Agencies indicated an intent to file motions
17 pursuant to Rule 3013 of the Bankruptcy Rules challenging the classification of the Governmental
18 Fire Claims in the Plan and seeking to separately classify the Governmental Fire Claims as General
19 Unsecured Claims or otherwise under the Plan, and the Plan Proponents indicated an intent to
20 oppose such motions.

21 G. Accordingly, in lieu of formal motion practice pursuant to Bankruptcy Rule
22 3013, the Parties have agreed on a briefing and oral argument schedule on the appropriate
23 classification of the Governmental Fire Claims under the Bankruptcy Code and applicable case law
24 and rules related thereto, including Bankruptcy Rule 3013 (the “**Classification Issue**”), as set forth
25 herein.

1 **NOW, THEREFORE, UPON THE FOREGOING RECITALS, WHICH ARE**
2 **INCORPORATED AS THOUGH FULLY SET FORTH HEREIN, IT HEREBY IS**
3 **STIPULATED AND AGREED, BY AND BETWEEN THE PARTIES, THROUGH THE**
4 **UNDERSIGNED, AND THE PARTIES JOINTLY REQUEST THE COURT TO ORDER,**
5 **THAT:**

6 1. The Federal Agencies, California State Agencies, and Plan Proponents shall
7 each file opening briefs on the Classification Issue, not to exceed 25 pages each, by **March 13,**
8 **2020.** The Plan Proponents shall file one brief not to exceed 25 pages.

9 2. The Federal Agencies, California State Agencies, and Plan Proponents shall
10 each file responsive briefs on the Classification Issue by **March 25, 2020.** The Federal Agencies'
11 and California State Agencies' responsive briefs shall not exceed 15 pages each, and the Plan
12 Proponents shall be permitted to file either (i) one consolidated responsive brief not to exceed 30
13 pages or (ii) two responsive briefs, not to exceed 15 pages each, to the opening briefs of the Federal
14 Agencies and the California State Agencies.

15 3. The hearing before the Bankruptcy Court on the Classification Issue shall be
16 held on **April 1, 2020 at 10:00 a.m. (Prevailing Pacific Time),** subject to the availability of the
17 Bankruptcy Court.

18 4. This Stipulation shall constitute the entire agreement and understanding of
19 the Parties relating to the subject matter hereof and shall supersede all prior agreements and
20 understandings relating to the subject matter hereof.

21 5. This Stipulation may be executed in counterparts, each of which shall be
22 deemed an original but all of which together shall constitute one and the same agreement.

23 6. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or
24 controversies arising from this Stipulation.
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26
27
28

1 Dated: March 2, 2020

Dated: March 2, 2020

2 WEIL, GOTSHAL & MANGES LLP
3 KELLER BENVENUTTI KIM LLP

JONES DAY

4 /s/ Jessica Liou
Jessica Liou

/s/ Joshua M. Mester
Joshua M. Mester

5 *Attorneys for the Debtors*

Attorneys for the Shareholder Proponents

6
7
8 Dated: March 2, 2020

Dated: March 2, 2020

9 FELDERSTEIN FITZGERALD
10 WILLOUGHBY PASCUZZI & RIOS
LLP

UNITED STATES DEPARTMENT OF
JUSTICE, CIVIL DIVISION

11
12 /s/ Paul Pascuzzi
Paul Pascuzzi

/s/ Matthew Troy
Matthew Troy

13 *Attorneys for the California State*
14 *Agencies*

Attorneys for the Federal Agencies